

BEFORE THE IDAHO BOARD OF TAX APPEALS

DENNIS SLAVICK,)	
)	
Appellant,)	APPEAL NO. 15-A-1226
)	
v.)	FINAL DECISION
)	AND ORDER
KOOTENAI COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. 49N04W101400. The appeal concerns the 2015 tax year.

This matter came on for hearing October 28, 2015 in Coeur d'Alene, Idaho before Board Member Linda Pike. Appellant Dennis Slavick was self-represented. Assessor Mike McDowell represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of an improved lakefront residential property.

The decision of the Kootenai County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$901,969, and the improvements' value is \$102,290, totaling \$1,004,259. Appellant contends the correct land value is \$350,000, and the improvements' value is \$24,120, totaling \$374,120.

The subject property is an improved waterfront parcel located on the northwest side of Lake Coeur d'Alene. Subject is 4.571 acres in size with 258 feet of water frontage and

is improved with a 1-bedroom, 1-bathroom residence built in 2005. The property is further improved with a 760 square foot boat dock.

Appellant provided a packet of information and discussed how a 2013 fire of a neighboring property had damaged the subject property. Photographs depicted badly burned trees between the home and lake. Appellant maintained ash and debris from the fire filtered into the residence which caused a presence of ash and soot. The dock was said to be damaged by penetration of the ash and soot. Appellant further suggested hundreds of thousands of dollars in timber or trees had been lost. Respondent noted the land is assessed, however there is no timber value placed on the trees.

Appellant provided an environmental report generated by an insurance company. The report showed very low to normal particulate matter inside the residence, and moderate particulate matter in the garage. Appellant declared litigation was currently underway with the insurance company. Respondent testified subject was inspected twice in 2014 and at the time no damage was noted to the exterior of the residence.

Appellant also challenged the 40% increase in subject's assessed value. Appellant provided five (5) sales and seven (7) active listings. Two (2) of the five (5) sales took place in 2015, with the three (3) remaining selling in 2014. The sales ranged from .06 acres to 5 acres with sale prices between \$138,000 and \$505,000. The listings ranged from 4.89 to 105 acres with listing prices between \$70,900 and \$725,000. The listings were generally of rural acreage properties.

Respondent explained subject's geographic-economic area (GEA) was part of a

revaluation conducted for the 2013 tax year. In 2013, 27 sales occurred in subject's area. The sales were analyzed for the yearly market adjustment. An additional 30 sales occurred on the west side of the lake during 2014. After examining all the sales it was determined land values were approximately 40% below market value. The current value increase appeared high because values were not adjusted the previous year.

Respondent reported there were three (3) improved sales in subject's Mica Bay area. Respondent offered detailed information concerning the three (3) improved sales and one (1) vacant land sale from 2014. The sale residences ranged in size from 1,152 to 1,624 square feet. Sale prices were between \$733,217 and \$1,082,375. Respondent made adjustments to the sales for differences compared to subject, such as size, construction grade, age, gross living area, dock, garages, deck, and other amenities. A time adjustment was also applied to the sale properties. Respondent determined adjusted sale prices between \$1,217,892 and \$1,307,703. The vacant lot was .59 acres in size and contained 85 water front feet and sold for \$504,240 in September 2014.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value

annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. The sales comparison approach is typically used for estimating the market value of a residential property like subject. In this regard, both parties provided sales information.

Appellant provided information regarding a fire near the subject property which burnt some trees on the subject property. Appellant further claimed there was interior damage, as well as damage to the subject dock. However, lacking in record was the exact extent of the damage and a cost to cure estimate. Respondent contended no value was placed on the actual trees and observed no further damage to the residence. The Board did not find in record what, if any, adjustment could be made for the burnt area of the subject property. The residence was unharmed and the trees are not included in the assessment.

Appellant also disagreed with the 40% increase in subject's assessed value. To support a lower value Appellant provided five (5) sales and several current listings for the Board's review. Two (2) of the sales transpired in 2015. For our review the appraisal analysis is generally restricted to available market information from prior to the effective

date of valuation. In the present case, the date of valuation is January 1, 2015. Therefore, sales and current listings occurring after January 1 were excluded from the analysis. What remains from Appellant's market sales is three (3) 2014 sales. Two (2) of the three (3) sales appeared to be secluded wooded lots. With no further information provided on these sales we find it difficult to find how the secluded wooded areas compare to waterfront property. The remaining sale was the same vacant waterfront sale Respondent provided in its analysis. This sale was .6 acres and contained 85 front feet and sold for \$495,000 in September 2014. Subject contains 4.5 acres and 150 front feet. We find this sale was in line with subject's per front foot value.

Respondent provided an analysis of three (3) improved 2014 sales which were located in subject's Mica Bay area. Respondent made appraisal adjustments to the sales for differences compared to subject and then determined adjusted sale prices between \$1,217,892 and \$1,307,703. The sales were in subject's immediate area and Respondent provided a thorough analysis to support subject's assessed value. We found this to be the best value evidence in record.

Per Idaho Code § 63-511, in appeals to this Board, Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. The burden of proof was not met in this instance. Based on the sales in record, and particularly Respondent's thorough analysis with the sales located in subject's immediate proximity, the Board does not find error in subject's assessed value. Further, we found no support in record to substantiate Appellant's value claim of \$374,120. Accordingly, the decision

of the Kootenai County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 2nd day of March, 2016.